

DATA PROTECTION ACT 1998

19/2/10

UNDERTAKING

Data Controller: Redstone Mortgages Ltd
2nd floor,
145-157 St John Street
London
EC1V 4PY

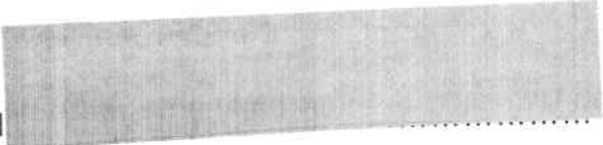
I, David Lautier, Chief Executive Officer of Redstone Mortgages Ltd, for and on behalf of Redstone Mortgages Ltd, hereby acknowledge the details set out below and undertake to comply with the terms of the following Undertaking:


1. Redstone Mortgages Ltd is the data controller as defined in section 1(1) of the Data Protection Act 1998 (the "Act"), in respect of the processing of personal data carried out by Redstone Mortgages Ltd and is referred to in this Undertaking as the "data controller". Section 4(4) of the Act provides that, subject to section 27(1) of the Act, it is the duty of a data controller to comply with the data protection principles in relation to all personal data in respect of which it is a data controller.
2. The Information Commissioner (the "Commissioner") was provided with a report indicating that, on 3 August 2009, data relating to 15,333 mortgage accounts was emailed to a member of the public in error.
3. The data included personal data relating to individuals' arrears or possession proceedings, and was being transmitted to the data controller's head office and several other recipients by a data processor as part of a monthly analysis report. One of the intended recipients, a consultant, used a private email address, which was virtually identical to that of a member of the public, and the disclosure occurred when this was mistakenly entered instead of the consultant's address. The data was not encrypted or password-protected, and similar reports had been emailed each month since 2005.
4. The Commissioner has considered the data controller's compliance with the provisions of the Act in the light of this matter. The relevant provision of the Act is the Seventh Data Protection Principle. This Principle is set out in Schedule 1 Part I to the Act.
5. Following consideration of the remedial action that has been taken by the data controller, it is agreed that in consideration of the Commissioner not exercising his powers to serve an Enforcement Notice under section 40 of the Act, the data controller undertakes as follows:

The data controller shall, as from 19 February 2010 and for so long as similar standards are required by the Act or other successor legislation, ensure that personal data are processed in accordance with the Seventh Data Protection Principle in Part I of Schedule 1 to the Act, and in particular that:

- (1) All reports containing personal data, the loss of which could cause damage or distress, shall be protected by means of a password consisting of at least eight characters, including upper and lower case letters and at least one non-text character, which will be separately transmitted and regularly changed, before being transmitted electronically outside the data controller's internal computer network;
- (2) All other emails containing personal data, the loss of which could cause damage or distress, shall be protected in the same manner as in (1) above or shall be redacted so that the identity of the data subject is not readily discernible by any third party;
- (3) The above provisions shall be incorporated into all contracts between the data controller and any data processor acting on its behalf, and appropriate steps taken to ensure compliance;
- (4) The data controller shall implement such other security measures as it deems appropriate to ensure that personal data is protected against unauthorised and unlawful processing, accidental loss, destruction, and/or damage.

Dated... 19 February 2010

Signed 
David Lautier
Chief Executive Officer
Redstone Mortgages Ltd

Signed..... 
Mick Gorrill
Head of Enforcement
For and on behalf of the Information Commissioner